

NASH BUSINESS SERVICES, INC. Tax Income /Payroll/Sales/Bookkeeping/Business License Prep

Phone: (818) 243-1977

Fax (213) 984-2653

email nbsandco@aol.com

210 N Central Ave. #100

Glendale, Ca 91203

Web www.8182431977.com

Please find attached Application for disability Insurance Elective coverage.

You have to fill out the application and mail with the copy of your last income tax return.

They will review your paperwork and will send you a letter for other actions.



Application For Disability Insurance Elective Coverage (DIEC)

Complete this application only if you meet the requirements as set forth in the attached Information Concerning Elective Coverage.

NOTE: For assistance in completing this application, contact the nearest Employment Tax Office or call 888-745-3886. Upon completion of this application, return to:

Attention: Analysis Resolution and Correspondence Organization
 Employment Development Department
 PO Box 2068
 Rancho Cordova, CA 95741-2068

For Department Use Only			
DIEC Approved: <input type="checkbox"/> 708(b) <input type="checkbox"/> 708.5	DIEC Account #		
Effective Date:	Subject Quarter		
Send Forms DE 2515, DE 3816DI <input type="checkbox"/> DE 3DI Qtr(s) _____			
Date Forms Sent:	Approved By:	Approval Date:	
<input type="checkbox"/>	Rev/Reg By:	Rev/Reg Date:	

Please type or print all information clearly.

1. Social Security Number*	2. Employer Account Number	3. Gender	4. Year of Birth
<input type="checkbox"/> Male <input type="checkbox"/> Female			
5. First Name	Middle Initial	Last Name	
6. Have you applied for elective coverage before? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, Mo. Yr.	
7. Mailing Address: Number and Street or PO Box		City	ZIP Code
8. Business Name: (If Any)		Business Phone	
9. Business Address: Number and Street or PO Box		City	ZIP Code
10. Email Address:			
11. Website:			
12. Do you have any employees? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, and you are not registered with the Employment Development Department (EDD) as an employer, please explain:	
13. Type of Organization: <input type="checkbox"/> Corporation - Do not submit, corporate officers are employees and covered under the State Disability Insurance Program.			
<input type="checkbox"/> General Partnership (includes husband and wife co-owners who are both active in the operation and management of the business).			
<input type="checkbox"/> Individual <input type="checkbox"/> Limited Partnership - only general partner may apply			
<input type="checkbox"/> Limited Liability Partnership - only general partners may apply			
<input type="checkbox"/> Limited Liability Company - Partnership			
<input type="checkbox"/> Limited Liability Company - Sole Proprietorship Managing Member			
14. Name(s) and Title of All Partners and Members (continue on another page if necessary)			
General Partners/Members	Social Security Number*	Limited Partners/Managing Members	Social Security Number*
15. Nature of Business:			
<input type="checkbox"/> Contracting	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Repairing	
<input type="checkbox"/> Retail Trade	<input type="checkbox"/> Service	<input type="checkbox"/> Wholesale Trade	
<input type="checkbox"/> Other (describe)			
16. Your Occupation/Title		17. Describe the Type of Service, Type of Contracting, or Product Sold.	
18. Is a license or permit required in your trade, business, or occupation? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, indicate type of license or permit required:		Do you possess such a valid and active license? <input type="checkbox"/> Yes <input type="checkbox"/> No	Provide License/Permit Number
19. Are you conducting a seasonal type of business? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, do not submit. You are not eligible for this coverage. See information sheet attached.		20. Do you expect to remain in business for the next eight (8) calendar quarters? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, do not submit. You are not eligible for this coverage. See information sheet attached.	
21. Do you perform services in your trade, business, or occupation continuously throughout the year? (include time spent doing office work, soliciting customers, and maintaining machinery and equipment.) <input type="checkbox"/> Yes <input type="checkbox"/> No		If no, explain.	

*The disclosure of your Social Security number is mandatory under the Federal Tax Reform Act of 1976.

22. How long have you performed services as a self-employed individual, partner, or member? _____ Year(s) _____ Month(s)
 If less than 1 year, give date business started _____ / _____ / _____

23. Do you perform your services under a written contract or agreement?
 Yes (Please attach copy) or (Explain oral agreement in #32)
 No

24. Is the major part of your service(s) performed for any specific firm or individual?
 Yes No
 If yes, identify the business name and address.

25. Have you previously worked as an employee for a firm for which you are now performing services?
 Yes No
 If yes, explain services performed as an employee.

26. If you are self-employed, and also an employee, do you receive the major part of your income from your self-employment?
 Yes If yes, what percentage? _____%
 No If no, explain major source of remuneration.

27. If you were self-employed during the last two years, what was your net profit as shown on your IRS schedule SE, line 3?
 _____ \$ _____
 Year Net Profit Year Net Profit
 If you have never filed a schedule se with the IRS, did you have net profit in excess of \$4,600 last year? Yes No
 If you have been in business for less than one year, did your average net profit exceed \$1,150 per quarter? Yes No
 If you just started a business, do you expect to earn a net profit of at least \$1,150 per quarter through the end of the year? Yes No

Please submit copies of your IRS schedule SE for the last two years. If only in business one year, enter zero for the other year.
 If you answered no to all three questions, **do not** submit this application until you earn the required minimum net profit in your trade, business, or occupation.

28. Were you convicted of a misdemeanor under the California Unemployment Insurance Code (CUIC) during the last eight (8) calendar quarters? (See attached information sheet) Yes No

29. Do you presently have an illness or disability which prevents you from currently performing all your regular and customary services in connection with your trade, business, or occupation? (Do not file application if you are currently disabled.) Yes No
 If yes, did you file a claim for benefits? Yes No

30. Have you been disabled or off work to bond with a new child or to care for a seriously ill family member during the last three months? Yes No
 If yes, did you file a claim for benefits? Yes No
 When did you resume your usual duties? _____ / _____ / _____

31. On what date do you wish elective coverage to commence? Keep in mind that the commencement date of an elective coverage agreement shall not be prior to the first day of the calendar quarter in which the application is filed, nor later than the first day of the following calendar quarter.
 First Day of Current Quarter First Day of Next Quarter

32. Additional Information (Use this space to more fully discuss the above questions)

DECLARATION

I, the undersigned, declare that the statements made on this application are true and correct to my best knowledge and belief. I understand that providing false information will result in denial or termination of coverage. I hereby elect and make application to have my services considered as employment subject to the CUIC for State Disability Insurance only. I hereby authorize the verification of any information provided by me on this application. I understand that this election must remain in effect for two complete calendar years unless I no longer meet all of the eligibility requirements of Section 704 of the CUIC or I meet the conditions for termination of coverage under Section 704.1 of the CUIC.

Signature of Applicant

Date

Residence Address (Number and Street or PO Box, City, and ZIP Code)

Residence Phone

()

Application must be signed to be valid.

Information Concerning DIEC* Under Sections 708(b) and 708.5 of the CUIC

Do not send any payment with this application. Contributions are not payable in advance.

You will receive a written notice of the approval or denial of your application.

If your elective coverage agreement is approved, instructions will be sent to you for filing your returns and paying the premiums due. Your agreement is subject to the requirements and conditions outlined below.

Please retain this page for reference.

Persons Eligible to Elect Coverage

- Section 708(b) of the CUIC provides that an individual who is an employer under Section 675 of the CUIC, or two or more individuals who have so qualified, may elect coverage. Each individual who applies must provide evidence of an annual net profit of at least \$4,600 or average \$1,150 per quarter if in business for less than one year.
- Section 708.5 of the CUIC provides that self-employed individuals who receive the major portion of their remuneration from the trade, business, or occupation in which they are self-employed, may elect coverage. Annual net profit must be at least \$4,600 or average \$1,150 per quarter if in business for less than one year.

Sole proprietors, general partners, managing members of Limited Liability Companies (LLC) treated as sole-proprietors for federal income tax purposes, and members of LLCs treated as partnerships for federal income tax reporting purposes are eligible to apply for coverage. It is not required that all active general partners or members be included in the election. An active general partnership also includes a husband and wife co-ownership in which both spouses are active in the operation and management of the business. Limited partners and corporate officers are considered to be employees subject to the compulsory provisions of the CUIC, the same as all other employees, and are not eligible to elect self-coverage.

Conditions for Denial of Coverage

Section 704 of the CUIC provides that an election under Section 708(b) or Section 708.5 of the CUIC shall not be approved if it is found that any of the following conditions exist:

- (a) The self-employed individual is currently unable to perform his or her regular and customary work due to injury or illness.
- (b) The employing unit or self-employed individual is **not** normally and continuously engaged in a regular trade, business, or occupation.
- (c) The employing unit or self-employed individual intends to discontinue the regular trade, business, or occupation within eight calendar quarters.
- (d) The regular trade, business, or occupation of the employing unit or self-employed individual is seasonal in its operations.
- (e) The major portion of the self-employed individual's remuneration is not derived from his or her trade, business, or occupation.
- (f) The self-employed individual is unable to provide a copy of his or her Internal Revenue Services (IRS) Schedule SE for the preceding year showing a net profit of at least \$4,600 or to certify to an average net profit of at least \$1,150 per quarter since becoming self-employed or for the preceding four quarters, whichever period is less.
- (g) The employing unit or self-employed individual has failed to make a return or to pay contributions within the time required, pursuant to the CUIC and there is an unpaid amount of contributions owing by the employing unit or self-employed individual.
- (h) Section 704(h) (1) and (2) of the CUIC: (1) A prior elective coverage agreement entered into pursuant to Section 708 or 708.5 has been terminated by the department under Section 704.1 or by means of a written application for termination as required by this division, and the individual has not completed a waiting period of 18 consecutive months from the date of termination. (2) The waiting period for reinstatement to the elective coverage program may be waived for any individual who becomes eligible for coverage after being terminated under paragraph (1), (2), (4), or (5) of subdivision (a) of Section 704.1, upon receipt by the department of an application for coverage to be effective the first day of the quarter in which the application is received.
- (i) The employing unit or any officer or agent of or person having charge of the affairs of the employing unit, or the self-employed individual has been convicted within the preceding eight consecutive calendar quarters of any violation under Chapter 10 (commencing with Section 2101 of the CUIC). For the purposes of this subdivision, a plea or verdict of

*Includes Paid Family Leave

guilty or a conviction following a plea of nolo contendere is deemed to be a conviction irrespective of whether an order granting probation or other order is made suspending the imposition of the sentence or whether sentence is imposed for execution thereof is suspended.

- (j) For purposes of this section, IRS Schedule SE is defined as IRS Form 1040 Schedule SE, or in the case of statutory employees under the Internal Revenue Code, it shall be defined as IRS Form 1040 Schedule C, or the California Resident Income Tax Return, DE 540, when accompanied by IRS Form W-2.

Elections filed under Section 708.5 of the CUIC are subject to verification by the Employment Development Department (EDD) that the individual is in fact self-employed rather than an employee of another individual or firm. If an individual filing an application for coverage under Section 708.5 of the CUIC as a self-employed individual has any knowledge of a prior ruling issued by the EDD concerning his or her status, reference to such ruling should be made on the application form and, if possible, a copy of the ruling attached.

Cost of Coverage

You will receive notification of the following year's premium rate, reportable "income credits," and premiums payable with your fourth quarter premium notice. You may estimate the cost of coverage using form *Disability Insurance Elective Coverage (DIEC) Rate Notice and Instructions for Computing Annual Premiums*, DE 3DI-I, or call the phone number shown on the front of your application for assistance.

Quarterly Report Required

The *Quarterly Premium Notice for Disability Insurance Elective Coverage*, DE 3DI, must be filed each quarter whether or not premiums are due. This notice is normally mailed by the last day of the calendar quarter. The DE 3DI and premiums are due on the first day of the following calendar quarter and become delinquent if not paid on or before the last day of that month. **Failure to receive a DE 3DI does not relieve you of the responsibility to pay your premiums on time.** Submitting the DE 3DI with disability information is not a claim for benefits. Contact your local Disability Insurance benefit office for claim information.

Reportable Compensation

Any adjustment of the reportable income credits and premiums due to State Disability Insurance (SDI) or Paid Family Leave (PFL) must be noted on the DE 3DI. If you have any questions regarding computing or adjusting the reportable income credits and premiums, contact your local Employment Tax Office or call the Analysis Resolution and Correspondence Organization at 888-745-3886.

Benefit Eligibility

The EDD determines eligibility for SDI and PFL benefits pursuant to the CUIC and authorized regulations. **Generally, a minimum of several months must elapse from the commencement date of coverage before a valid claim may be filed based solely on income credits reportable under your election.** Eligibility is dependent on a number of factors including: proof of a claimant's eligibility, filing of a timely claim for benefits, and filing and payment of all required reports and amounts due. Weekly SDI or PFL benefits are payable under elective coverage regardless of whether the claimant continues to receive any compensation from his or her business.

The SDI benefits cover both work related and non-occupational injuries and illness. For SDI benefit information, see the pamphlet *Disability Insurance Provisions*, DE 2515, or contact your local DI field office at 800-480-3287.

Cancellation/Termination of Elective Coverage

A participant may cancel his or her elective coverage agreement as of January 1 of any calendar year, and only if the agreement has been in effect for two complete calendar years, by filing a letter with the EDD requesting termination on or before January 31 of that year.

The EDD may terminate your elective coverage agreement if it is found that any of the "Conditions for Denial of Coverage" exist or you meet one of the following conditions for termination of coverage by the EDD found in Section 704.1 of the CUIC:

- **Section 704.1(a)(5):** The self-employed individual reports a net profit of less than \$4,600 on his or her IRS Service Schedule SE for a third consecutive year.
- **Section 704.1(a)(7):** The employing unit or self-employed individual, or a representative thereof, is found by the director to have filed a false statement in order to be considered eligible for elective coverage.

You will be given written notification of the EDD's termination of your elective coverage agreement and will have 30 days to file a Petition for Review of the termination of elective coverage. The termination shall not affect the liability of the self-employed individual for any premiums due, owing or unpaid to the EDD. Termination by the EDD may affect your ability to draw SDI benefits.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 888-745-3886 (voice) or TTY 800-547-9565.